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TO RUEHC/SECSTATE WASHDC PRIORITY 9542
INFO RUEHBR/AMEMBASSY BRASILIA PRIORITY 0605
RUEHBU/AMEMBASSY BUENOS AIRES PRIORITY 0294
RUEHEG/AMEMBASSY CAIRO PRIORITY 0422
RUEHKL/AMEMBASSY KUALA LUMPUR PRIORITY 0136
RUEHMO/AMEMBASSY MOSCOW PRIORITY 1029
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 0626
RUEHUNV/USMISSION UNVIE VIENNA PRIORITY 0325
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0605

C O N F I D E N T I A L PRETORIA 001823

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DEPARTMENT FOR ISN/NESS MARC HUMPHREY AND BURRUS CARNAHAN

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TAGS: [AORC](#) [KNNP](#) [IAEA](#) [ENRG](#) [TRGY](#) [SF](#)
SUBJECT: NUCLEAR FUEL BANKS -- LAUNCHING A LISTENING
CAMPAIGN

REF: A. STATE 85122
[1](#)B. 09 UNVIE 301
[1](#)C. 09 STATE 76708

Classified By: Classified by Acting Political Counselor for Reasons 1.4
b and d.

(C) Acting Political Counselor conveyed Ref A message in a September 4 meeting with Department of International Relations and Cooperation (DICO) Deputy Director for Nuclear Disarmament and Nonproliferation Johann Kellerman and Embassy Energy Officer. Assuring us that he would pass along our points for consideration, Kellerman noted that many developing countries, including South Africa, remain uneasy about the various proposed models for international nuclear fuel banks. Kellerman said that there is apprehension as to how the market price for fuel would be determined, and by whom, under such schemes. He stressed that developing countries are reluctant to give up their bargaining power to an internationally sanctioned cartel. According to Kellerman, developing countries are wary that powerful nations may use the mechanism of nuclear fuel banks to deny civil nuclear fuel to nations on account of political reasons. Kellerman told Emboffs that continued dialogue, such as Special Advisor Einhorn's recent visit to South Africa, will be needed to build confidence that nuclear fuel banks can serve the interests of all nations.
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